

Report 2017.78  
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Committee Wellington Regional Strategy Committee  
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## Economic Update

### 1. Purpose

To provide an update on the region's economic performance for 2016 based on Infometrics database and reports.

### 2. Background

A two page summary report Wellington Region at a Glance is included as **Attachment 1**.

The Committee is provided with an economic update annually around this time of the year. The WRS Office has previously used both the Infometrics data for regional performance indicators and BERL analysis for sub-regional comparisons. As all Councils now subscribe to local economic update products, this report takes a Wellington region focus. However, we have provided a graph showing each of the TLAs across the measured areas.

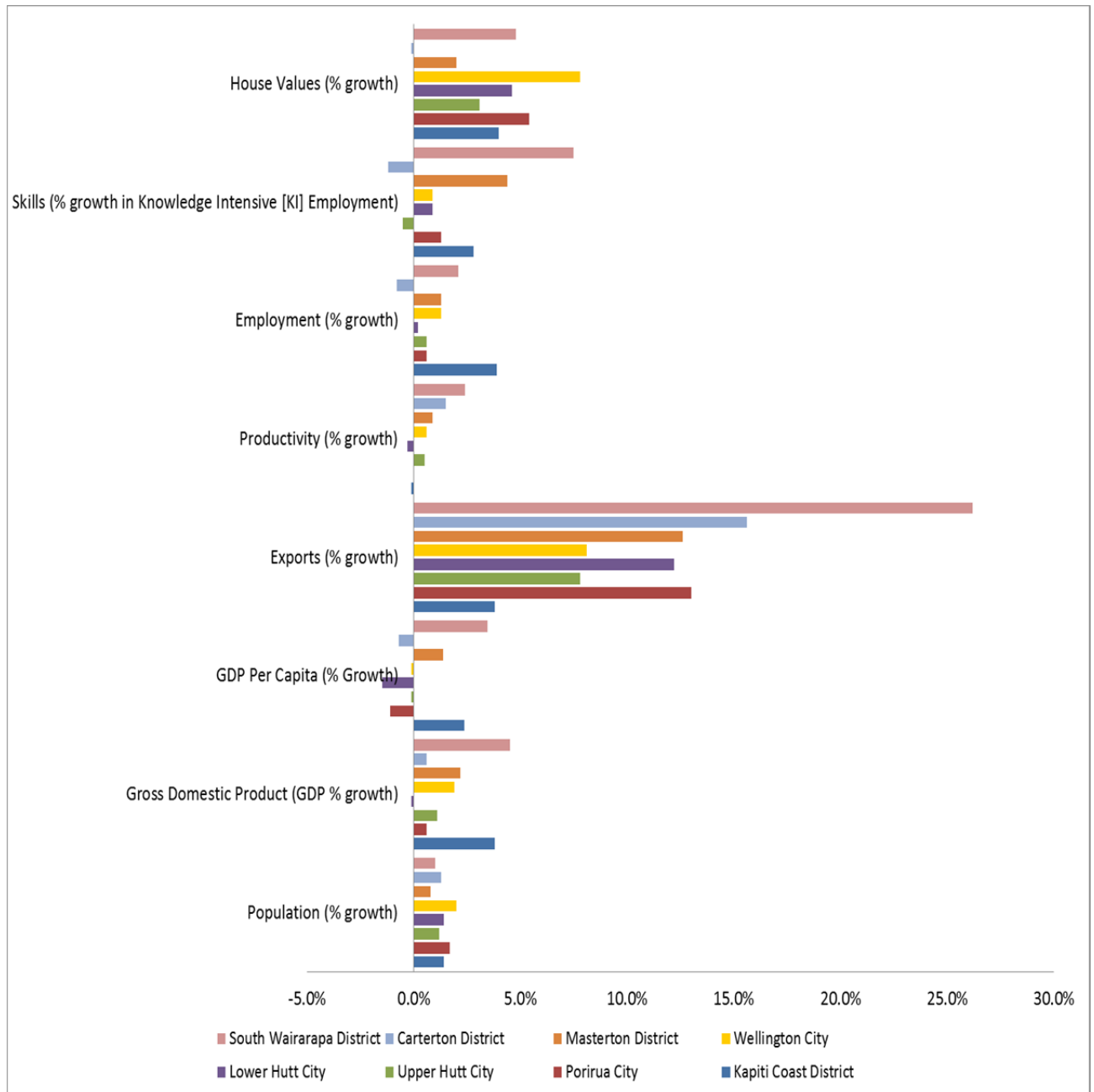
The national economy is undergoing a period of strong growth that is forecast to continue out to 2020. Such growth is attributed to factors including high net migration, construction activity and tourism numbers, from which Wellington has also benefited. Auckland continues to be the engine room of growth.

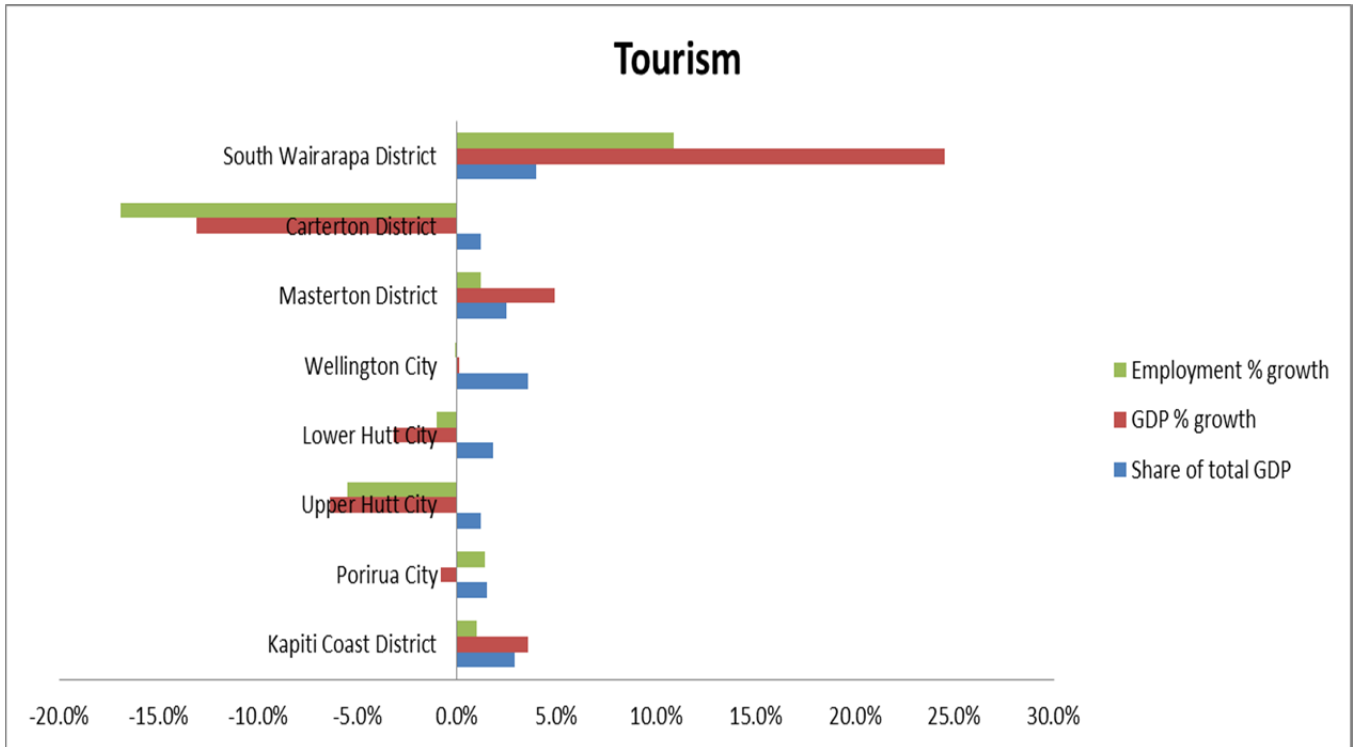
The table below is designed to provide a snapshot for 2016 of the levels of growth experienced. Some explanatory notes are provided where relevant. Wellington's growth figures are in the context of a buoyant national economy so comparisons can be made.

<b>GROWTH INDICATOR 2016</b>	<b>Region</b>	<b>NZ</b>
Population (% growth)	1.6	2.1
Population growth is largely attributed to high net migration over the last two years. In 2016 this was 5,100 for the region. By contrast for the last 10 years per annum growth was lower at 0.8% and largely the result of births.		

<b>Gross Domestic Product</b> (GDP % growth)	1.5	2.5
Growth was most evident in Finance, Central Government, Professional Scientific Technical Services (PSTS), and property related services. The 2016 growth rate mirrors that for the period 2011-2016.		
<b>Exports (% growth)</b>	10.1	4.1
A stellar 2016 result for the region. The largest exporters were meat, food manufacturing, metal & machinery manufacturing, PSTS and tourism as evidenced in transport and accommodation industries.		
<b>Productivity (% growth)</b>	0.42	- 0.23
Productivity (GDP/person employed) by sector is higher across the board for Wellington with the exception of the Primary Sector. This translates to higher average wages for example. It also means Wellington starts from a higher base than the NZ average so a 2016 growth result greater than for New Zealand is encouraging.		
<b>Employment (% growth)</b>	1.2	2.7
The job creators were in the Central Government, Banking, Health and Computer Systems Designs sectors. Regional job numbers are around 274,000 of which 159,000 are in Wellington City. Beneficiary numbers have continued to decline slowly since 2012.		
<b>Skills (% growth in Knowledge Intensive [KI] Employment)</b>	1.1	2.1
Highest growth occupations were Health Professionals, Design Engineering & Science Professionals, Office Managers & Program Administrators and construction labourers. As a percentage of the total KI Employment in the region, Central Government Administration is the largest followed by Health, Computer Systems Design & Related Services, and Management Advice & Other Consultancy.		
<b>House Values (% growth)</b>	5.9	12.2
Although house values have increased significantly, Wellington remains more affordable relative to the national growth figures.		
<b>Tourism</b> Share of total GDP GDP % growth Employment % growth	3 0.3 0	3.7 3.1 3.7
Tourism as a share of regional GDP peaked at 3.3% in 2011 when the NZ figure was 3.8. It accounts for 6.6% of total employment in the Wellington economy compared to 8% for New Zealand.		

### Economic data by territorial authority area





### 3. The decision-making process and significance

No decision is being sought in this report.

#### 3.1 Engagement

Engagement on this matter is unnecessary.

### 4. Recommendations

*That the Committee:*

1. **Receives the report.**
2. **Notes the content of the report.**

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Attachment 1: Wellington Region at a Glance